

Northern Provincial Council **CITIZENS BUDGET** 2022



In 2021, the Northern Provincial Chief Secretariat initiated a citizens budget formulation process under the leadership of the Chief Secretary and with the objective of presenting its policies clearly and coherently to the public. Having noted the positive implications of the former Citizens Budget – such as citizens understanding the individual benefits they receive from sectors like education and health, and how they have been involved in the budgetary process – and with a commitment to ensuring good governance, the Northern Provincial Council (NPC) is proud to present its second Citizens Budget for the year 2022.

An important aim of the government is to ensure that citizens have a firm understanding of the many ways the budget may affect their lives. The Citizens Budget is essentially a simpler version of the government's budget that presents key information to the public in a more accessible format and aims to foster a greater understanding of how public money is managed. It has become a vital tool for promoting transparency, accountability and public engagement in the government's budgeting process. The

unprecedented economic crisis that Sri Lanka is currently facing has made it even more important that citizens are fully aware of how the NPC develops plans to raise and allocate public finances to meet its policy goals which ultimately have an impact on the development and growth of the overall economy.

This publication follows a similar structure as the 2021 Citizens Budget and provides a snapshot of the Northern Province, the budget process, the sources of funds, revenue and capital expenditure trends, and the budgetary allocations to the relevant sectors. Additionally, a brief overview of key achievements and challenges in the current budgeting year is provided to help citizens understand, reflect on and effectively engage with the budget, while also taking into consideration the findings of the 2021 Citizens Budget. It is hoped that through this publication (which includes a detailed glossary of the relevant technical terms used) citizens will develop an understanding and a firm grasp of the budget process, so that the NPC can better serve the people of this province and their needs.

Northern Province performance highlights for 2021

In the last years (2020 and 2021), the provincial government had to take steps to control public expenditure in order to allocate necessary funds for COVID-19-related costs (i.e., vaccine drive and expansion of health services). In 2022, the whole nation is experiencing an immense crisis: Sri Lanka is facing unsustainable debt and significant balance of payment challenges. This crisis will affect all sectors of the economy and restrict planned spending across all sectors. However, there are a few significant highlights from 2021 that should be celebrated:

- 7,260 acres of land were utilized for paddy cultivation through irrigation improvement projects.
- 21 rural hospitals have been developed to provide health services to the rural community under the Primary Health Care System Strengthening Project (PSSP).
- An intermediate care centre for mental health patients called 'Kudil' was constructed with the assistance of International Medical Health Organization (IMHO).
- A cardiology unit was inaugurated on 24 November 2021 at the District General Hospital in Mullaitivu.
- Two Siddha central dispensaries were built in Welioya and Viswamadu in the Mullaitivu District.
- An Android mobile survey app was developed to collect comprehensive data on women-headed households in the Northern Province, in order to help provide livelihood assistance and entrepreneurship development to women-headed families in the province, especially women who are war widows.
- A sea cucumber hatchery in Mannar commenced operations in March 2021 and a sea cucumber village was established in Kilinochchi, driven by the government's intention to increase the contribution of the fisheries sector to the national economy.¹
- Several measures targeted at generating foreign earnings by enhancing the quality and productivity of export agricultural crops was adopted to uplift the performance of the export agriculture sector. Research and development activities relating to the expansion of the cultivation of pepper, arecanut, ginger, turmeric and betel in non-traditional areas such as Ampara, Vavuniya and Jaffna continued in 2021.²

¹ Central Bank of Sri Lanka, 'Annual Report 2021: National Output, Expenditure, Income and Employment', Colombo, 2021, <www.cbsl.gov.lk/sites/default/files/cbslweb_documents/publications/annual_report/2021/en/6_Chapter_02.pdf>, accessed 18 October 2022.

² Ibid.

Budget goals

The Northern Province has a mission to restore livelihoods by providing opportunities and an enabling environment for growth.

The NPC's objectives for 2022 included:



To focus on regional planning policies to suit the current local conditions.



To promote transparency and accountability in the budgeting process.



To promote cost-effectiveness in local finance management.



To provide infrastructure facilities and physical resources for the development of livelihoods.



To strengthen service delivery in its locality.



To develop better avenues for communication between public officials and citizens.



To increase the Northern Province's contribution to national Gross Domestic Product (GDP).

2

Northern Province: An Overview

The Northern Province consists of five districts: Jaffna, Kilinochchi, Mannar, Mullaitivu and Vavuniya. There are 34 divisional secretariats (DSs) and 921 grama niladhari divisions (GNDs). The 34 local authorities that render administrative services to the public consist of 1 municipal council (MC), 5 urban councils (UCs) and 28 pradeshiya sabhas (PSs). The province spans an area of 8,890.07 sq.km, which is approximately 13.5 per cent of the total land area of Sri Lanka.

The total population of the Northern Province is 1.3 million (2021). A total of 83.4 per cent of the population lives in rural areas, while 16.6 per cent of the population lives in urban areas. There are 58,112 women-headed households in the Northern Province, of which 52, 216 households fall under the category of 'natural, abandoned, and other widows'.

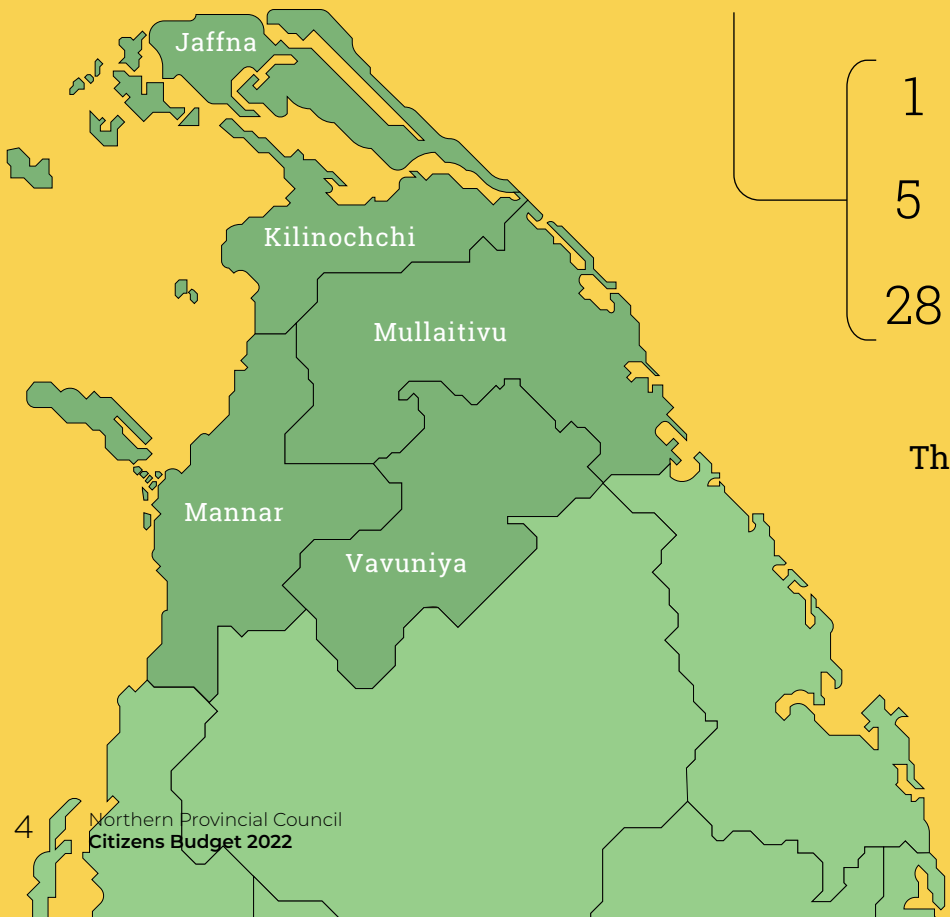
The Northern Province had an unemployment rate of 5.2 per cent in 2020, which is similar to the 2020

34

Divisional secretariats (DSs)

921

Grama niladhari divisions (GNDs)



- 1 Municipal council (MC)
- 5 Urban councils (UCs)
- 28 Pradeshiya sabhas (PSs)

The province spans an area of
8,890.07 sq.km

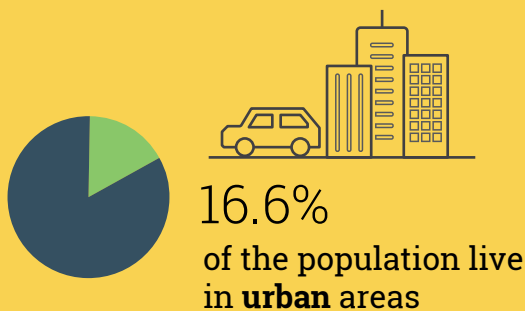
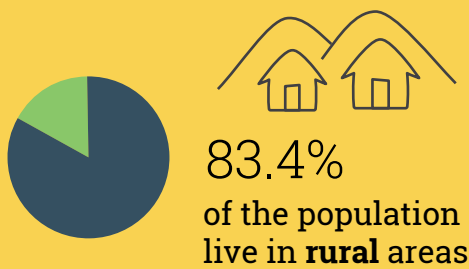


national unemployment rate of 5.5 per cent. However, there is a marked discrepancy between the national poverty headcount index and the Northern Province headcount index. According to the most recent figures, in 2019, the national poverty headcount index stood at 14.3 per cent, while the Northern Provincial headcount index was 23.8 per cent. The highest poverty level nationally was recorded in the Mullaitivu District of the Northern Province (44.5 per cent). To address the high level of poverty, the Northern Province aims to

increase employment through public-private partnerships (PPP) and promote employment opportunities for small and medium enterprises (SMEs).

The education and health sectors receive the largest share of the provincial budget. The Northern Province has 996 functional schools and 18,909 teachers to serve 242,445 students (2021). According to the Department of Education, the student enrolment rate for the Northern Province stood at 98.7 per cent in 2020, which has been a great achievement.

Total population of Northern Province 1.3 million



58,112
women-headed
households



of which
52,216
households fall under the
category of 'natural, abandoned,
and other widows'

The Northern Province is predominantly an agricultural region. Crops, livestock and fisheries are pivotal sub-sectors. As a result of the rapid development in the agriculture sector in the Northern Province, paddy production reached 482,000 MT in 2020. It is about 9.39 per cent of the total paddy production of the whole island, which is 5,121,000 MT. Furthermore, the livestock industry is becoming an important sector for entrepreneurs in the Northern Province. This sector is considered an additional source of income for the farming community in the region and there is scope for self-sufficiency in livestock products.

Helping the most vulnerable people of the province is a **key focus area** for the NPC. Therefore, providing assistance and implementing suitable policies will be of utmost importance.



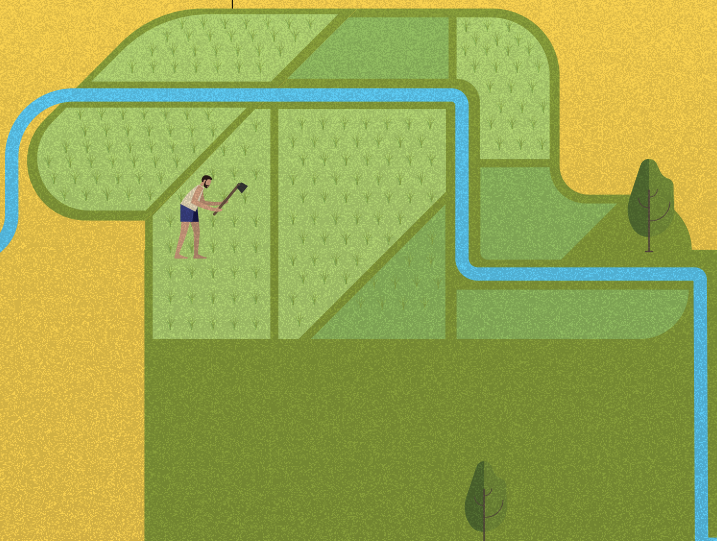
996
Schools

242,445
Students

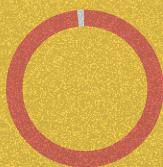
18,909
Teachers



Paddy production in 2020
482,000 MT



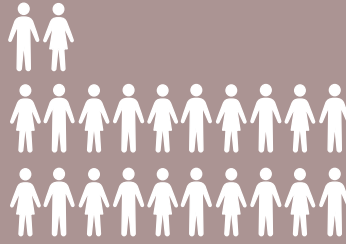
Student enrolment rate in 2020
98.7%



Key demographic indicators of the Northern Province

Sri Lanka

65,610.00



22.2



49.4

Key Indicators

Total Area
(Sq. Km)
[2021]†

Population
(Mn.)
[2021]‡

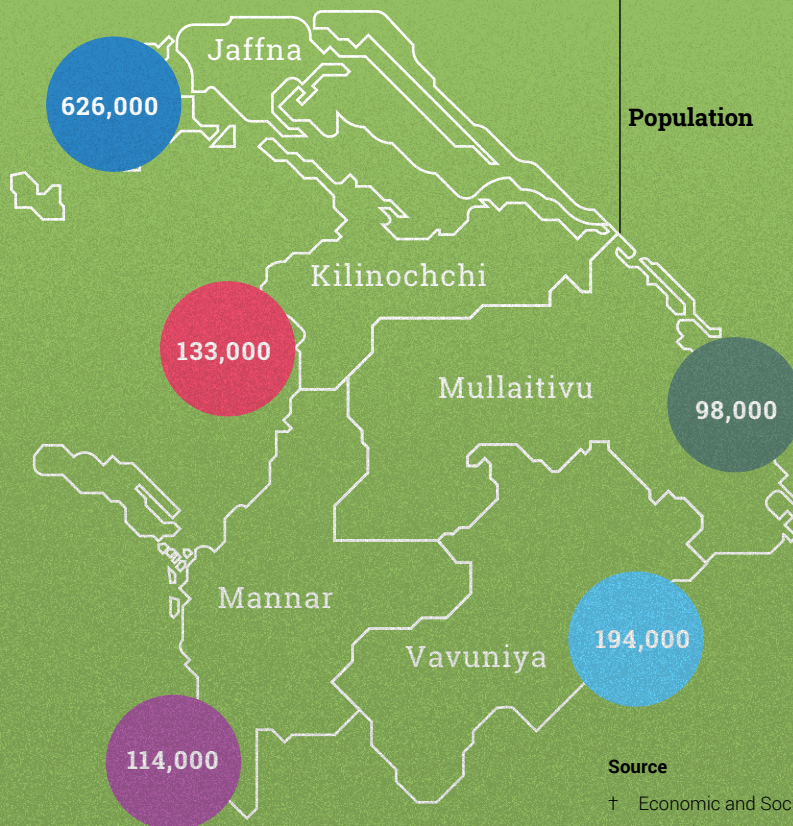
Dependency Ratio (%)
[2021]‡

Nothern Province

8,890.07

1.2

N/A*



Source

† Economic and Social Statistics, CBSL, 2021
‡ Annual Report, CBSL, 2021

* Data for the dependency ratio is not available as it is not calculated at a provincial level.

Sri Lanka



Key Indicators

Literacy Rate

[2020]†

Computer Literacy Rate

[2020]†

GDP at Current Market Price (Rs, Mn)

[2019]†

Northern Province

N/A*

N/A*
Female

N/A*
Male



711,459





622,449



14.3



5.5



0.786

**Per Capita GDP at
Current Market
Price (Rs)**

[2019][§]

**Poverty Head
Count Index
(%)**

[2019][†]

**Unemployment
Rate
(%)**

[2020][†]

**Prosperity
Index**

[2020][#]

688,573



23.8



5.2



N/A^{**}

Source

† Labour Force Survey, DCS, 2020

‡ Annual Report, CBSL, 2021

§ National Output, Expenditure and Income, CBSL, 2021

¶ Poverty Indicators, DCS, 2019

Sri Lanka Prosperity Index, 2020

* Data for the literacy rate is not available as it is not calculated at a provincial level.

** The prosperity index is not available as it is not calculated at a provincial level.



3

Provincial Council Budget Process

The preparation of the PC budget begins with a financial needs assessment for the province. During this stage, there is an internal consultation involving provincial council members

and sectoral ministry officials. The process outlined below gives a brief overview of the formulation of the PC budget.

Provincial budget process



4

Sources of Funds

The central government allocates funds for the annual budget of the Northern Province on the recommendation of the finance commission.

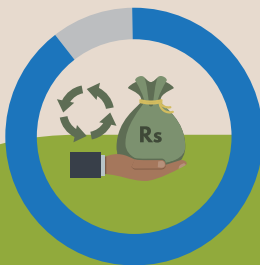
In 2022, the total NPC budget was estimated at Rs. **31,451,000,000** (Rs. 31.4 billion) and the main sources of revenue were:

- Recurrent sources of revenue (e.g., grants, provincial taxes)
- Capital sources of revenue (e.g., provincial specific development grants (PSDGs))
- Foreign aid (e.g., General Education Modernising Project (GEMP))

Capital, recurrent and foreign aid revenue estimates in 2022

Recurrent sources of revenue

89.74%



Recurrent sources of revenue are continuing channels that can be counted on to generate income at regular intervals. These sources are, for example, block grants or revenue allocations from the central government, and revenue from the province itself. Recurrent revenue makes up 89.74 per cent of the total revenue.

Block grants are also known as 'need-oriented grants' and are the largest source of recurrent revenue, accounting for 84 per cent of the total provincial budget in 2022. It is a transfer from the central government to provincial councils for recurrent expenditure. The estimated revenue of the province for a particular year is deducted from the estimated recurrent needs for the same year and the balance is recommended as block grants.

Capital sources of fund

7.43%



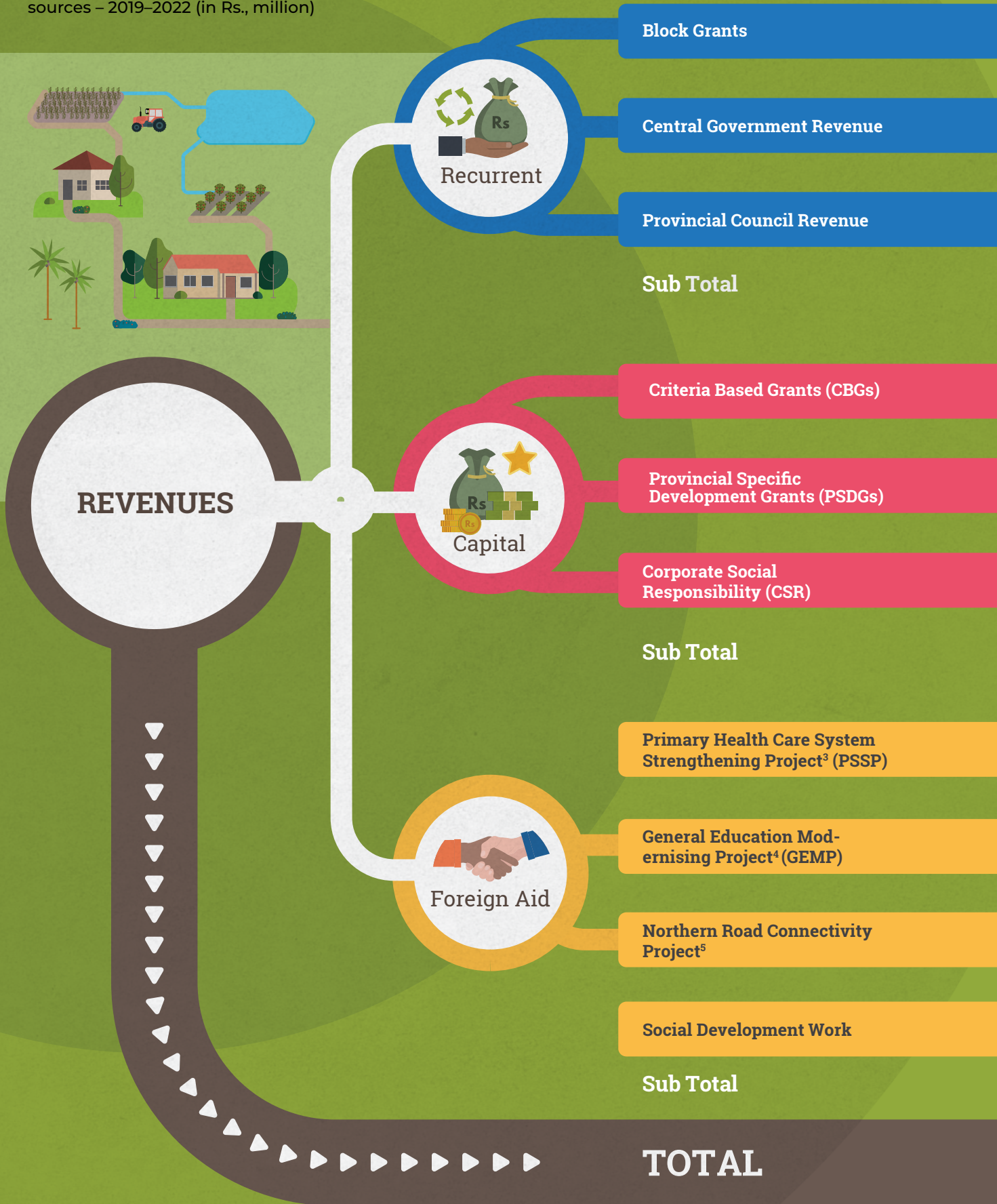
Foreign aid

2.83%



Revenue sourced from foreign aid is mainly used for capital expenditure. These funds are channelled through the Ministry of Finance, Department of External Resources, and General Treasury, and maintained by the respective line ministries.

Capital, recurrent and foreign aid revenue sources – 2019–2022 (in Rs., million)



Source: Northern Provincial Council

2019 (Actual revenue)	2020 (Actual revenue)	2021 (Actual revenue)	2022 (Estimate)
21,438	25,102	26,799	26,428
2,388	517.3	513	700
506	903.1	903	1,095
24,332	26,742	28,215	28,223
300	253.8	319.5	386
1,627	1,575	1,643.8	1,932
10	15	19.8	20
1,937	1,843.8	1,983.1	2,338
249.7	240	330	550
-	45	220	340
-	19.3	-	-
		748.5	-
249.7	304.3	1,308.5	890
26,518.7	28,890.3	31,506.6	31,451

3 The World Bank has funded this programme since 2019 as budget support for provincial health activities.

4 The World Bank has funded this programme since 2018 as budget support for general education activities.

5 This programme commenced in 2014 and is supported by the Asian Development Bank.



Recurrent



Capital



Foreign Aid

Capital, recurrent and foreign aid revenue from 2019 to 2022 (in Rs., million)

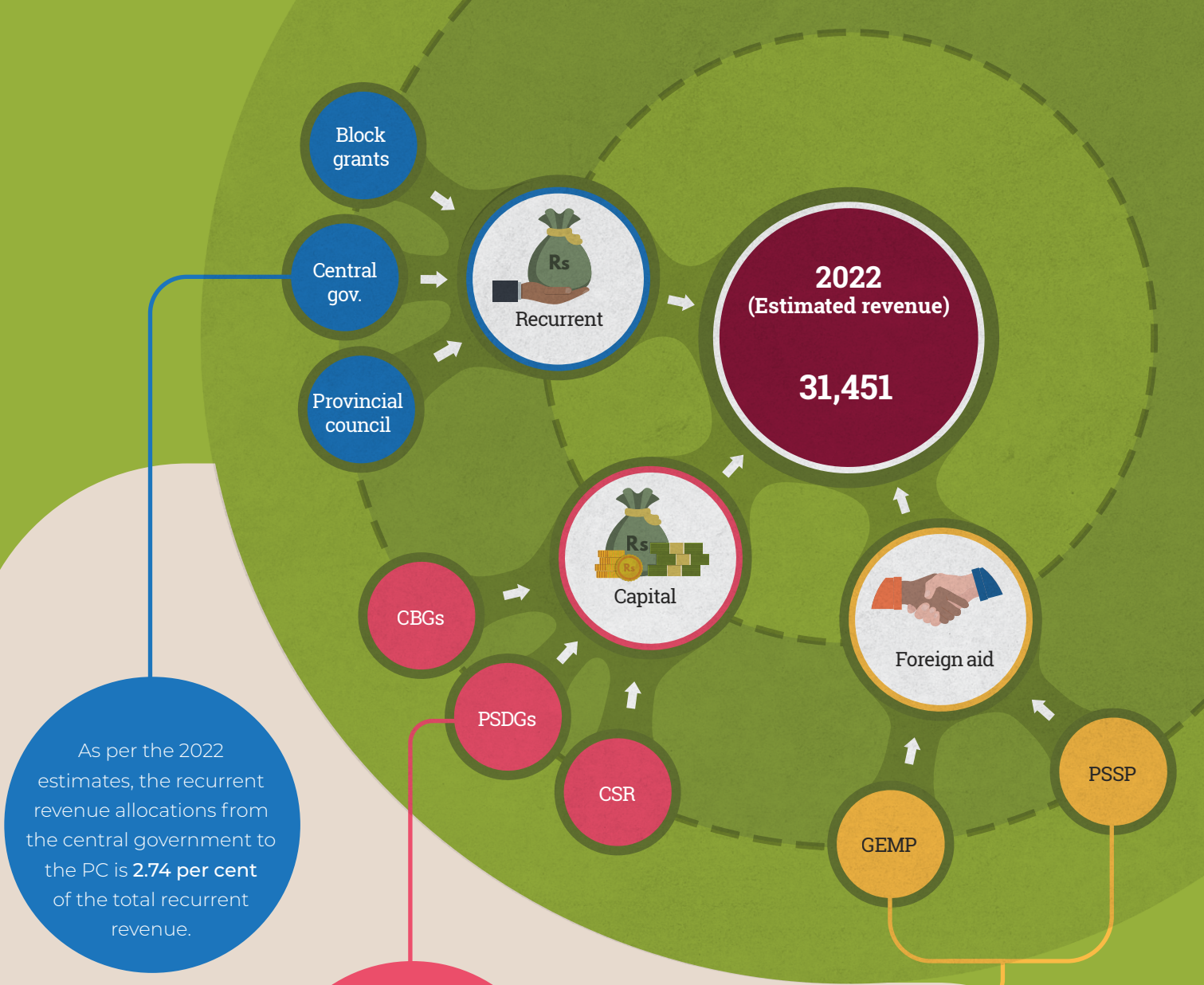


26,518.7

28,890.3

31,506.6

31,451



As per the 2022 estimates, the recurrent revenue allocations from the central government to the PC is **2.74 per cent** of the total recurrent revenue.

The main source of capital revenue is the PSDG, which is estimated to account for **82.63 per cent** of the total capital revenue for 2022.

The PSSP and GEMP are two projects funded by foreign aid in the Northern Province. As domestic funds are inadequate for the development of the health and education sectors, the World Bank has lent its support since 2018 (PSPP) and 2019 (GEMP) to help develop these sectors.

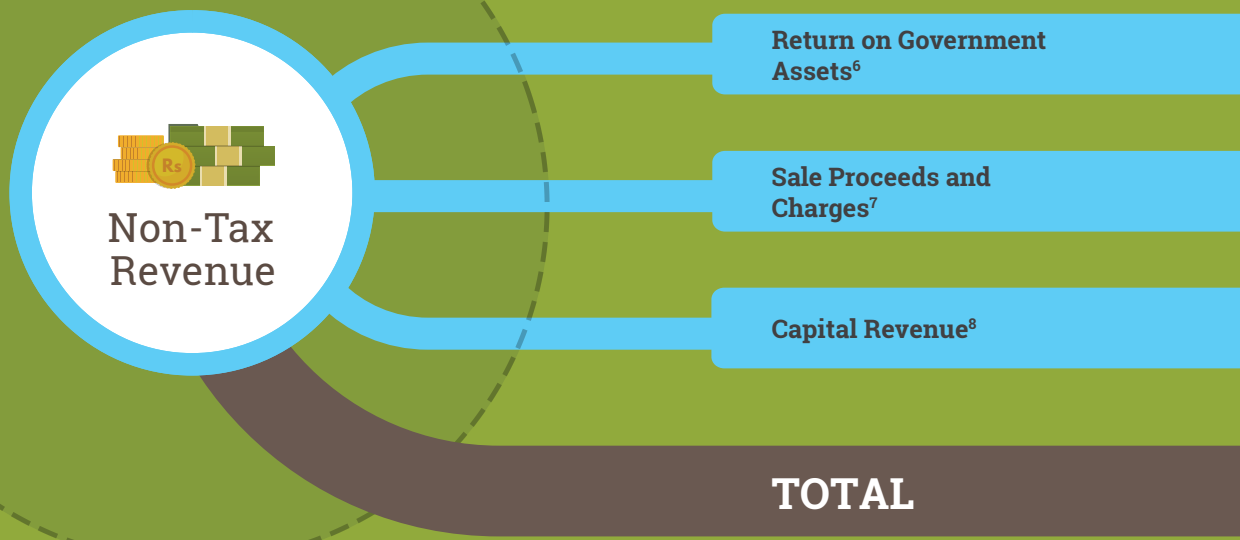
Revenue is estimated to rise by 8.9 per cent from 2020 to 2022, despite the economic fallout due to COVID-19 and the current financial crisis. Motor vehicle licence fees revenue increased due to arrears of fees and the rise in the number of vehicles. Furthermore, the first half of 2021 saw an increase in the payment of loans. Sales of vehicles too rose in 2021 due to the number of unserviceable vehicles identified for disposal.

The central government revenue is the tax revenue transferred from the central government to the PC. It is estimated that 60.04 per cent of the total tax revenue will be from the central government. The remaining 39.96 per cent is the revenue received from taxes imposed by the PC itself.







Tax revenues from 2019 to 2022 (in Rs., million)


Exhibit 6: Non-tax revenues from 2019 to 2022 (in Rs., million)



Sales proceeds and charges have been the main source of non-tax revenue throughout the years.

Source: Northern Provincial Council

	2019 (Actual revenue)	2020 (Actual revenue)	2021 (Actual revenue)	2022 (Estimated revenue)
	1,749	136.4	10	-
	570	323.2	470	640
	68.6	57.7	33	60
	2,387.6	517.3	513	700
	42.4	44.4	19	51
	378.8	400.6	412	415
	421.2	445.1	431	466
	2,808.8	962.4	944	1,166

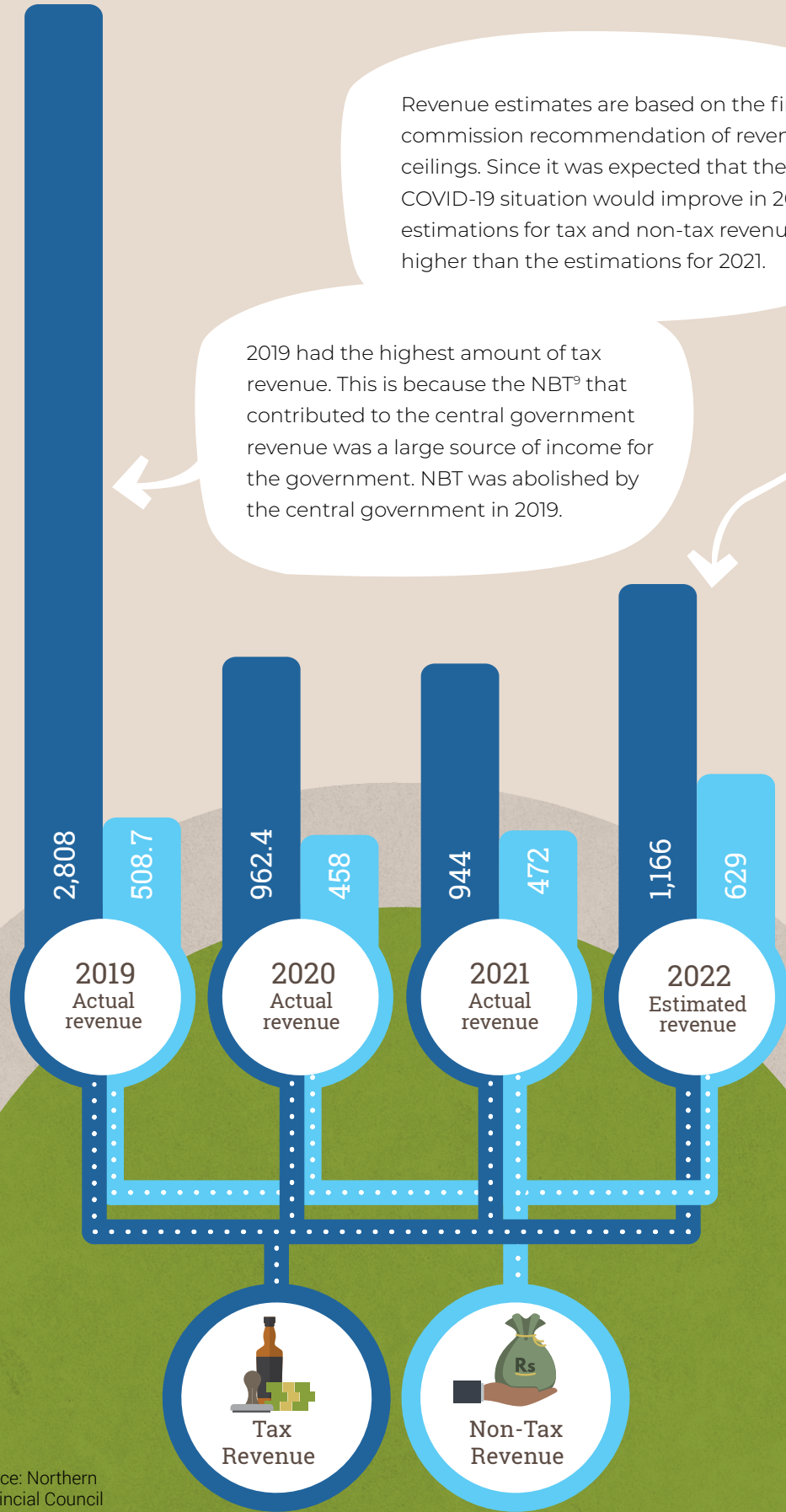
	164.9	158.4	145	178
	329.9	286.8	309	431
	13.9	12.8	18	20
	508.7	458	472	629

6 Return on government assets: e.g., rent of government buildings, lease of state lands, and interest on loan advances to public officials and provincial government investments.

7 Sales proceeds and charges: e.g., sale of products produced by relevant departments (agriculture, industries, etc). Charges refer to any payments imposed by statute to the public, service industry and private sector businesses.

8 Capital revenue: Sale of capital assets such as vehicles, machinery and other equipment condemned by the Board of Survey.

Tax revenue vs non-tax revenue from 2019 to 2022 (in Rs., million)



2019 had the highest amount of tax revenue. This is because the NBT⁹ that contributed to the central government revenue was a large source of income for the government. NBT was abolished by the central government in 2019.

Revenue estimates are based on the finance commission recommendation of revenue ceilings. Since it was expected that the COVID-19 situation would improve in 2022, the estimations for tax and non-tax revenue are higher than the estimations for 2021.



Source: Northern Provincial Council

⁹ See glossary for full definition of NBT.

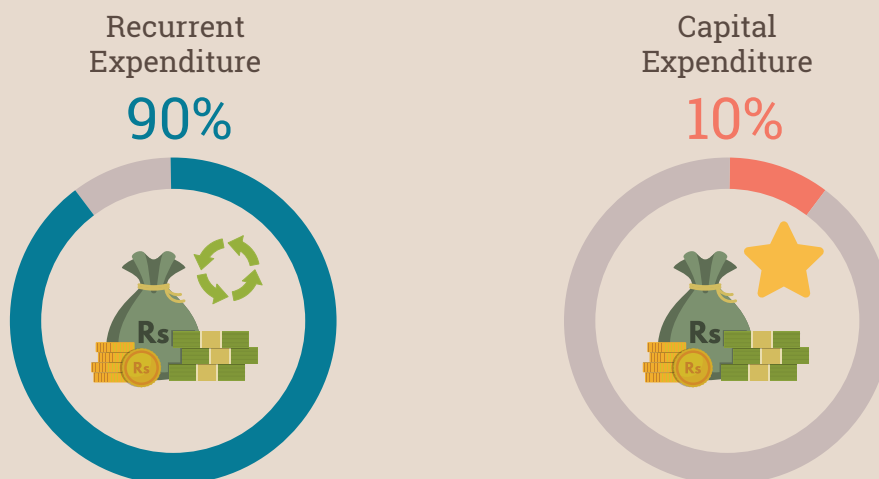
5

Expenditure

The government uses its revenue to fund the acquisition of various goods and services that are divided into capital and recurrent costs. These include, but are not limited to, public investments, transfer payments, and social services such as the building of schools and hospitals.

The total estimated expenditure for the year 2022 is Rs. 31,451 million.

Recurrent vs capital expenditure estimations in 2022



Source: Northern Provincial Council

Recurrent expenditure comprises a significant part of the budget as opposed to capital expenditure. While capital expenditure amounts to approximately 10 per cent of total expenditure, approximately 90 per cent of the total expenditure is made up of recurrent expenditure.

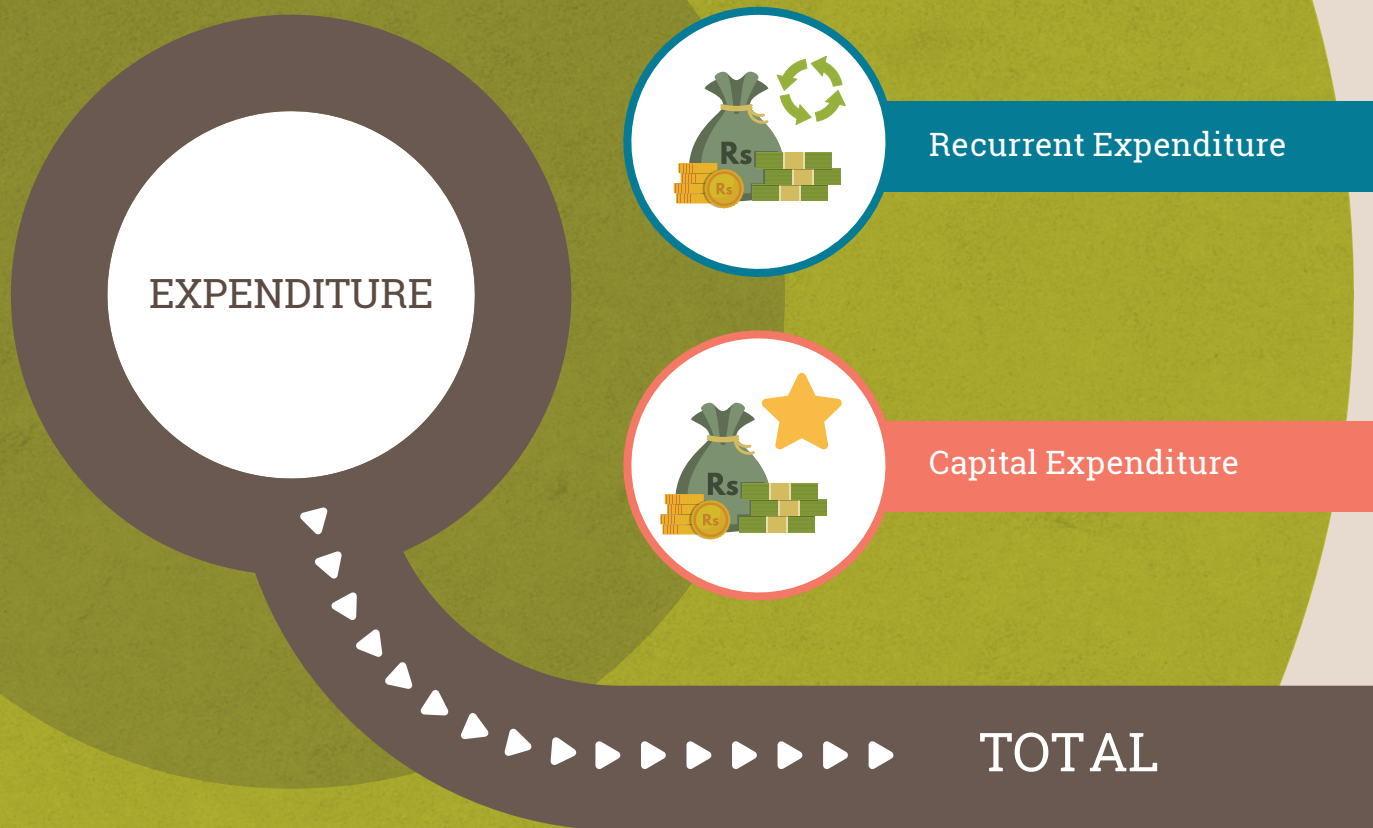
The recurrent nature of the expenses for the Northern Province indicates that most of the expenditure in 2022 is allocated to costs that take the form of salaries, maintenance and supplies.¹⁰

The main difference between recurring and non-recurring expenses is that the former is regular or fixed, while the latter is one-time or extraordinary. Recurring expenses generally include all payments other than for capital assets, including goods and services (wages and salaries, employer contributions), interest payments, subsidies and transfers.

¹⁰ This can include salaries to public servants, maintenance of public services and subsidies, and support for public livelihoods.

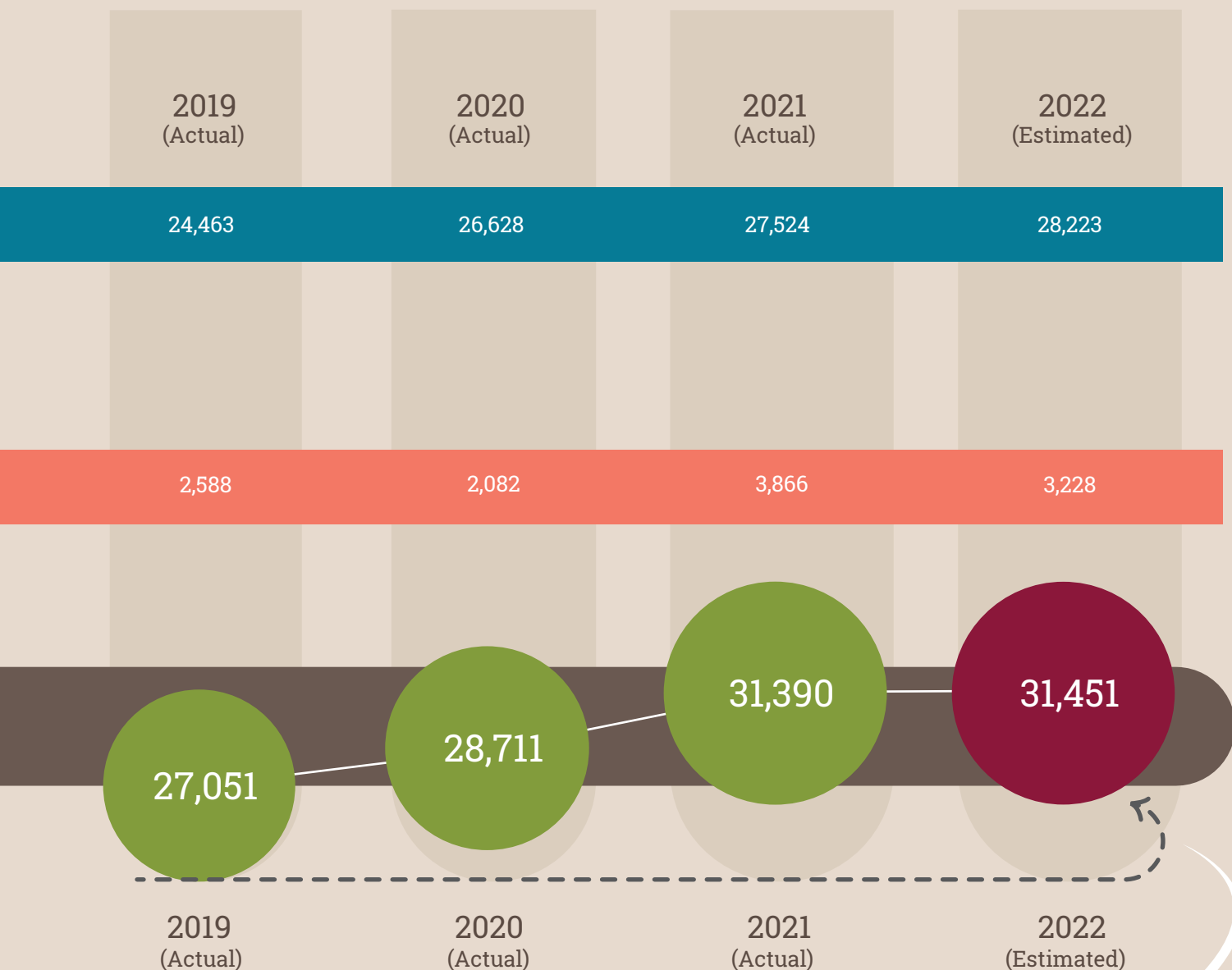
In the Northern Province, recurrent costs take the form of:

1. Personal emoluments
2. Travel costs
3. Supplies
4. Contractual services
5. Transfers
6. Grants



The provincial council has been established to serve the people of the Northern Province in both urban and rural areas in several different sectors that include education, health, local government, agriculture, youth and cultural affairs, and housing. Each year, the PC oversees the development of the above sectors and has employed approximately 34,000 officers to carry out its tasks. This is the primary reason for the high recurrent expenses.

Changes in expenditure (2019–2022) (in Rs., million)



The expenditure trend illustrates rising costs for the Northern Province. Between 2019 and 2022, expenditure has increased by 16.2 per cent.

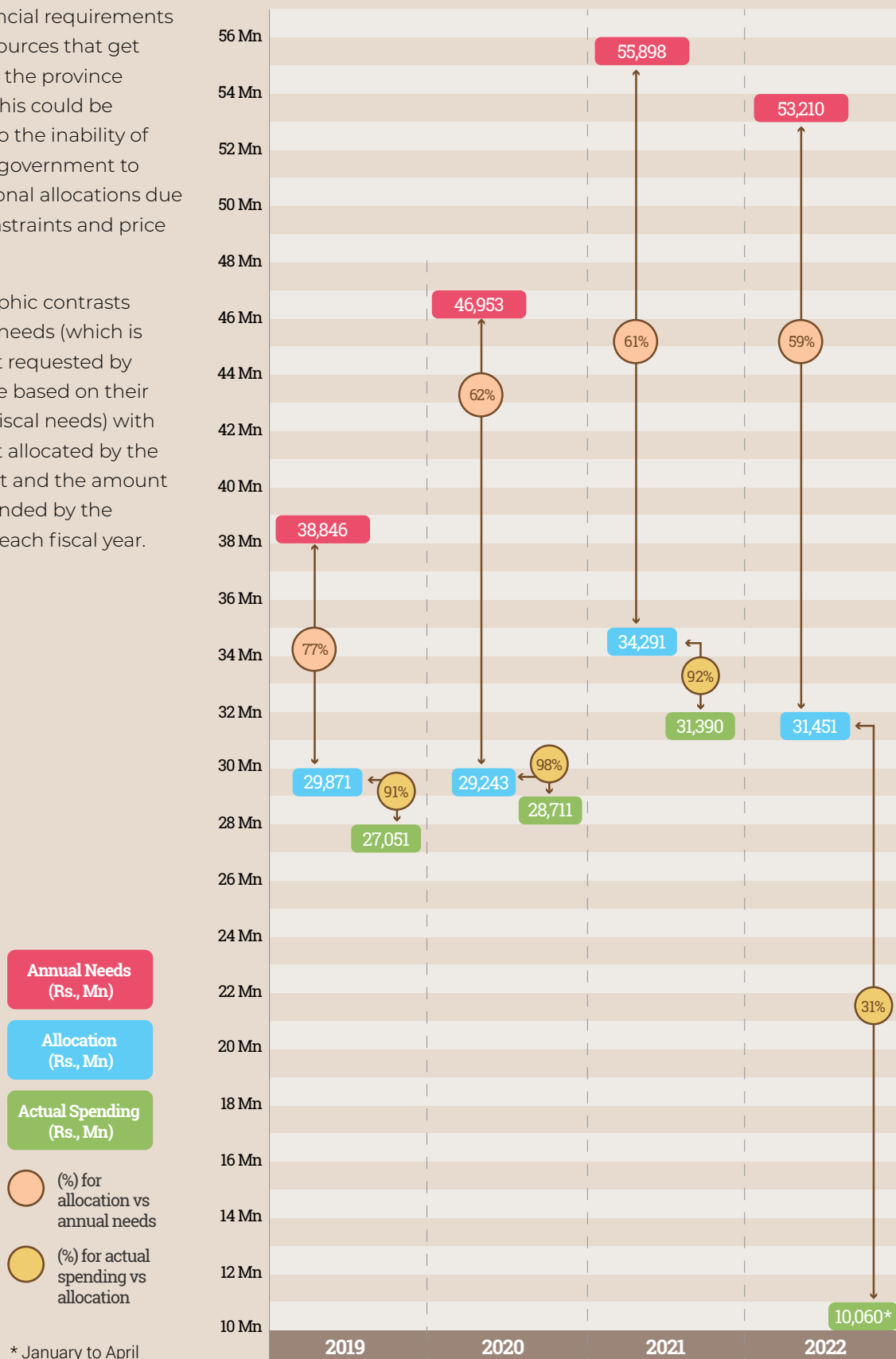
The rising expenditure trend can be attributed to recent salary and allowance revisions. Furthermore, the unexpected costs related to COVID-19 (for example, overtime payments and hospital ward maintenance costs) have also caused an increase in provincial expenses. Every year, the health and education sectors receive the largest share of the provincial budget.

5.1 NPC gap analysis – Comparing annual needs, allocated amount and amount expended

A key challenge for PCs is the fiscal gap between the annual capital financial requirements and the resources that get allocated to the province each year. This could be attributed to the inability of the central government to fund additional allocations due to fiscal constraints and price escalations.

The infographic contrasts the annual needs (which is the amount requested by the province based on their analysis of fiscal needs) with the amount allocated by the government and the amount that is expended by the province in each fiscal year.

Annual capital needs vs allocated amount vs amount expended (in Rs., million) 2019-2021

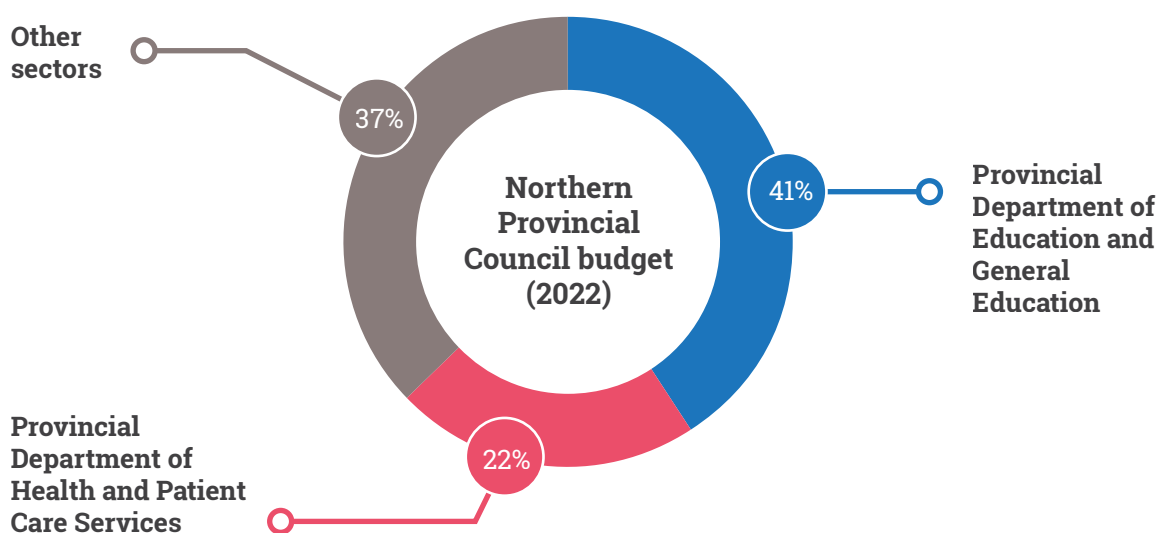


5.2 Sectoral allocations

Capital expenditure for each sector is based on the NPC's needs assessment, while recurrent expenditure is based on the current/planned cadre and movable and immovable assets. The social infrastructure sector receives the highest expenditure allocation in the Northern Province (76 per cent of the total budget).

This is because two departments within this sector receive high allocations:

- As the province has approximately 242,445 students, the Provincial Department of Education and General Education (which comes under the institution of social infrastructure) is estimated to receive the largest share of the Northern Provincial Council budget for 2022, amounting to almost half of the entire budget (41 per cent).
- The Provincial Department of Health and Patient Care Services is estimated to receive the second largest share (22 per cent of the total budget).



Institutions with the highest estimated expenditure allocations for 2022 (in Rs.) (See Annexure 2 for institution breakdown)

INSTITUTION	TOTAL EXPENDITURE	% OF THE TOTAL NORTHERN PROVINCE BUDGET
Social Infrastructure	23,795,766,000	76%
Community Services	2,873,694,000	9%
Provincial Administration	1,993,787,000	6.3%
Economic Infrastructure	1,572,483,000	5%
Agriculture	1,078,470,000	3.4%
Industries	136,800,000	0.4%

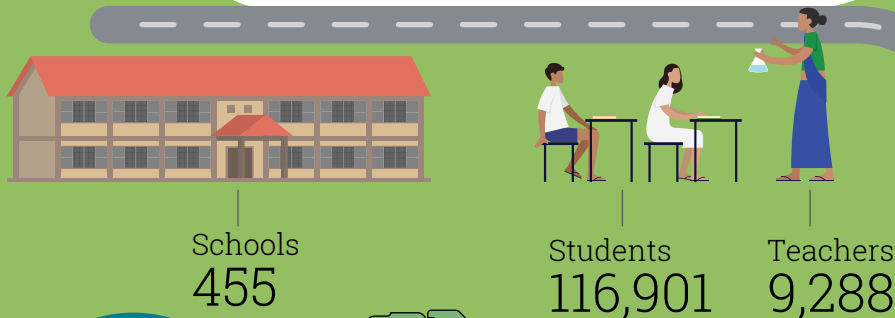
5.3 Major sector breakdown



Ministry of Education

The Departments of Education, Sports and Cultural Affairs come under the purview of this ministry. The Northern Province has a total of 996 schools. There are 18,909 provincial teachers and 242,445 students. The capital allocation for this ministry goes towards the construction and improvement of school buildings and water and sanitation facilities at schools, supply of furniture and equipment, training and development of teachers, and the supervision and monitoring of teachers and students.

The per capita allocation¹¹ of education in the Northern Province is around Rs. 57,303 per student.



Per Capita Allocation for Education (Rs.)¹²
63,723.83

Capital Allocation (Rs., Mn) 297.84

Recurrent Allocation (Rs., Mn) 7,151.54

23.7%

% of Total Provincial Allocation

Jaffna

Breakdown of estimated allocations per district for the education sector in 2022 in Rs., million



Teachers
2,241

Mannar

4.66%

% of Total Provincial Allocation

Per Capita Allocation for Education (Rs.)¹²
53,050.21

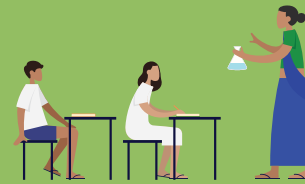
Capital Allocation (Rs., Mn) 85.33

Recurrent Allocation (Rs., Mn) 1,381.19



Students
27,644

Mullaitivu



Teachers
— 2,238

Schools
127

Students
28,557

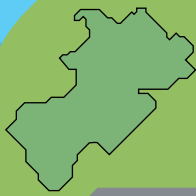
Per Capita
Allocation for
Education (Rs.)¹²
56,716.39

Capital Allocation (Rs., Mn) 119.85

Recurrent Allocation (Rs., Mn) 1,499.80

5.15%

% of Total
Provincial
Allocation



Schools
174

Vavuniya

Per Capita
Allocation for
Education (Rs.)¹²
53,684.28

6.47%

% of Total
Provincial
Allocation

Students
37,888

Teachers
2,967

Capital Allocation (Rs., Mn) 81.76

Recurrent Allocation (Rs., Mn) 1,952.23



Kilinochchi



Schools
106

Students
31,455

Teachers
2,175

4.21%

% of Total
Provincial
Allocation

Per Capita
Allocation for
Education (Rs.)¹²
42,065.49

Capital Allocation (Rs., Mn) 91.22

Recurrent Allocation (Rs., Mn) 1,231.95

Source: Northern Provincial Council

¹¹ Please see glossary for a full description of the term. Per capita allocation of education is calculated per student.

¹² Per capita education allocation is estimated by dividing the capital and recurrent allocations by the number of students.

As stated earlier, the total estimated expenditure for the Northern Province in the year 2022 is Rs. 31.451 billion. Of this total estimated expenditure, 23.7 per cent is spent on the education sector in the Jaffna District. Only 4.21 per cent of the total estimated expenditure is spent on the education sector in the Killinochchi District.

Please note that the values for the per capita allocation of education for the previous year (2021) was incorrectly stated in the 2021 Citizens Budget as only the capital allocation was considered when making the calculation. Please see below the corrected values.

Breakdown of estimated per capita allocations per district for the education sector in 2021 in Rs., million

Kilinochchi



29,143
Students

Per Capita Allocation for Education (Rs.)
53,114



Capital Allocation (Rs., Mn)
79.9



Recurrent Allocation (Rs., Mn)
1,468

Jaffna



97,632
Students

Per Capita
Allocation for
Education (Rs.)
72,707



Capital Allocation (Rs., Mn)
302.5



Recurrent Allocation (Rs., Mn)
6,796

Mannar



26,401
Students

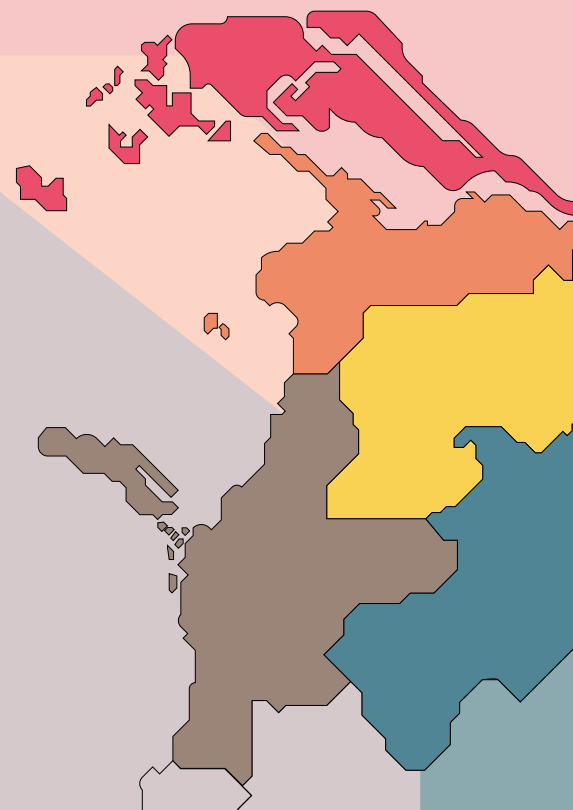
Per Capita Allocation
for Education (Rs.)
59,479






Capital Allocation (Rs., Mn)
152.3



Recurrent Allocation (Rs., Mn)
1,418



Major activity breakdown per department in 2022

Major Activities		Allocation amount (in Rs., million)
 Department of Education	Construction of classroom buildings and supply of furniture and equipment	762.55
	Construction of pre-school buildings and toilets, and supply of playfield equipment	6.00
 Department of Sports	Renovation of sports complex in Mullaitivu	21.00
	Construction of indoor badminton court in Jaffna	
 Department of Cultural Affairs	Printing of culture-related books	12.00
	Conducting drama festival (all districts)	
	Capacity development for cultural officers and department staff (all districts)	

Source: Northern Provincial Council

Mullaitivu

Per Capita Allocation for Education (Rs.)

73,158



22,502
Students



Capital Allocation (Rs., Mn)

152.2



Recurrent Allocation (Rs., Mn)

1,494

Vavuniya

Per Capita Allocation for Education (Rs.)

50,332



31,199
Students



Capital Allocation (Rs., Mn)

152.3



Recurrent Allocation (Rs., Mn)

1,418

Source: Northern Provincial Council



Ministry of Health

The Department of Health Services, Department of Indigenous Medicine and the Department of Probation come under the purview of this ministry. The health sector serves the population through Western and indigenous medicine. The facilities available are: 1 teaching hospital, 4 general hospitals, 10 base hospitals, 54 divisional hospitals and 45 primary medical care units. In addition, the province has 216 Gramodaya health centres, one Siddha ayurveda teaching hospital, 5 district ayurvedic hospitals, 13 central dispensaries of Siddha medicine, 14 Siddha rural hospitals, and 64 free Siddha dispensaries.

The per capita allocation to health in the Northern Province is approximately Rs. 7,362.83.

Breakdown of allocations per district for the health sector



Jaffna

44
Hospitals

300
Doctors

% of Total
Provincial
Allocation

8.7%

Per Capita
Allocation of
Health (Rs.)¹³
4,390.58

Capital Allocation (Rs., Mn) 387.5

Recurrent Allocation (Rs., Mn) 2,361



22
Hospitals

Mannar

% of Total
Provincial
Allocation

4.4%

110
Doctors

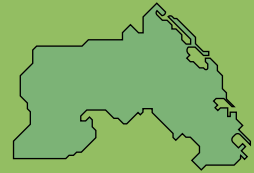
Capital Allocation (Rs., Mn) 146.9

Recurrent Allocation (Rs., Mn) 1,240

Per Capita
Allocation of
Health (Rs.)¹³
12,165.79



Mullaitivu



20
Hospitals

% of Total
Provincial
Allocation

3.8%

Per Capita
Allocation of
Health (Rs.)¹³
12,168.37

Capital Allocation (Rs., Mn) 130.5

Recurrent Allocation (Rs., Mn) 1,062



108
Doctors



Vavuniya



18
Hospitals

% of Total
Provincial
Allocation

6.3%

178
Doctors

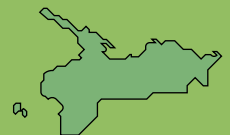


Capital Allocation (Rs., Mn) 152

Recurrent Allocation (Rs., Mn) 1,819

Per Capita
Allocation of
Health (Rs.)¹³
10,159.79

Kilinochchi



Per Capita
Allocation of
Health (Rs.)¹³
9,615.04

Capital Allocation (Rs., Mn) 55.8

Recurrent Allocation (Rs., Mn) 1,223

13
Hospitals



107
Doctors

% of Total
Provincial
Allocation

4.1%

Source: Northern Provincial Council

¹³ Per capita health allocation is estimated by dividing the capital and recurrent allocations by the mid-year population.

Of the total estimated provincial expenditure, 8.7 per cent is spent on the health sector in the Jaffna District. The district that receives the lowest allocation for health sector expenditure is the Mullaitivu District (3.8 per cent).

Please note that the values for the per capita allocation of health for the previous year (2021) was incorrectly stated in the 2021 Citizens Budget as only the capital allocation was considered when making the calculation. Please see below the corrected values.

Breakdown of per capita allocations per district for the health sector for the year 2021

Kilinochchi



17
Hospitals



147
Doctors

Per Capita Allocation for Health (Rs.)
11,030



Capital Allocation (Rs., Mn)
131



Recurrent Allocation (Rs., Mn)
1,336

Jaffna



211
Doctors

58
Hospitals



Per Capita
Allocation for
Health (Rs.)
5,377



Capital Allocation (Rs., Mn)
671.9



Recurrent Allocation (Rs., Mn)
2,694

Mannar



136
Doctors

25
Hospitals



Per Capita Allocation
for Health (Rs.)

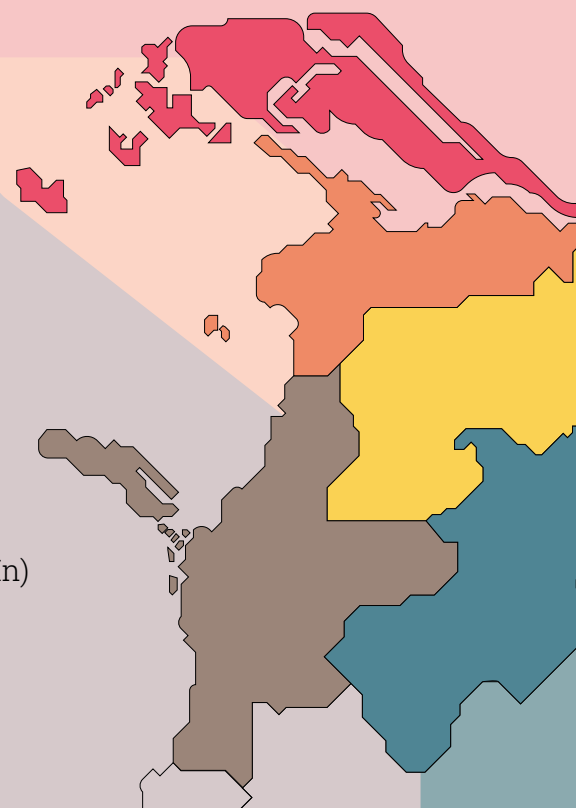
14,456






Capital Allocation (Rs., Mn)
264



Recurrent Allocation (Rs., Mn)
1,384



Major activity breakdown per department in 2022

Major Activities		Allocation amount (in Rs., million)
 Department of Health Services	Construction of medical officers' and nurses' quarters Provision of medical equipment and accessories Upgrading of Emergency Treatment Unit Renovation of hospital buildings Renovation and repair works	717.29
 Department of Indigenous Medicine	Construction of Siddha rural hospitals Improvement work at Siddha rural hospital Construction of administration blocks	94.56
 Department of Probation and Childcare Services	Providing livelihood assistance to vulnerable families with children Renovation of office buildings	75.00

Source: Northern Provincial Council

Mullaitivu



26
Hospitals



130
Doctors



Capital Allocation (Rs., Mn)
243.4

Per Capita Allocation
for Health (Rs.)
14,331



Recurrent Allocation (Rs., Mn)
1,161

Vavuniya



22
Hospitals



179
Doctors



Capital Allocation (Rs., Mn)
262.3

Per Capita Allocation
for Health (Rs.)
11,136



Recurrent Allocation (Rs., Mn)
1,898

Source: Northern Provincial Council

Annexure 1:

Glossary of Terms

Block grant: A transfer from the central government to PCs for recurrent expenditures. The estimated revenue of the province for a particular year is deducted from the estimated recurrent needs for the same year and the balance is recommended as block grants.

Budget: A comprehensive financial plan for a specified time period. It is an estimation of revenue, expenditure, deficit/surplus and debt, in order to understand how finances will be allocated.

Budget cycle: The major stages of developing, planning, implementing and monitoring a budget.

Budget estimates: The estimated cost of activities before the start of a financial year.

Capital expenditure: describes expenditure aimed at improving a government's/sector's longer-term productivity and efficiency (i.e., construction of hospitals and clinics, the purchase of medical devices, the training of medical staff).

Criteria Based Grants: The grant provided by central government to provincial councils to meet capital expenditure for improving the socio-economic conditions of citizens in a manner that contributes towards reducing regional disparities. Criteria such as population, area and per capita income are used to distribute the allocation within the territorial areas.

Dependency ratio: The dependency ratio relates the number of children (0-14 years old) and older persons (65 years or over) to the working-age population (15-64 years old). This demographic indicator gives insight into the number of people of non-working age, compared with the number of those of working age. It is also used to understand the relative economic burden of the workforce and has ramifications for taxation.

Fiscal policy: Fiscal policy is the country's policies with respect to government revenues, expenditures, and debt management, as these relate to country services, programs, and capital investments. A fiscal policy provides a set of principles for the planning and programming of budgets, uses of revenues, and financial management.

Fiscal deficit/gap: The difference between annual revenue and annual expenditure of the government is termed as the fiscal deficit.

Fiscal sustainability: Fiscal sustainability is the ability of a government to maintain public finances at a credible and serviceable position over the long term. Ensuring long-term fiscal sustainability requires that governments engage in continual strategic forecasting of future revenues and liabilities, environmental factors and socio-economic trends in order to adapt financial planning accordingly.

Foreign Direct Investment: Foreign direct investment (FDI) is a category of cross-border investment in which an investor resident in one economy establishes a lasting interest in and a significant degree of influence over an enterprise resident in another economy.

Gross Domestic Product (GDP): This refers to the value of economic activity within a country. It is the total monetary value of all the finished goods and services produced in a country for a specific time period. It is used as a marker to measure economic growth.

Literacy rate: The literacy rate is defined by the percentage of the population of a given age group that can read and write. The adult literacy rate corresponds to ages 15 and above, the youth literacy rate to ages 15 to 24, and the elderly to ages 65 and above.

Annexure 2:

Institution Breakdown

1. Provincial Administration

Governor's Secretariat
Provincial Public Services Commission
Provincial Council Secretariat
Chief Secretary's Secretariat
Office of the Deputy Chief Secretary - Finance
Office of the Deputy Chief Secretary - Planning
Management Development Training Unit
Provincial Department of Motor Traffic
Provincial Department of Revenue and Taxes
Chief Minister's Ministry
Provincial Ministry of Agriculture
Provincial Ministry of Education
Provincial Ministry of Health
Provincial Ministry of Women's Affairs
Provincial Co-operative Employees' Commission
Provincial Department of Industries

2. Economic Infrastructure

Office of the Deputy Chief Secretary - Engineering
Provincial Department of Irrigation
Provincial Department of Buildings
Provincial Department of Road Development

3. Social Infrastructure

Provincial Department of Social Services
Provincial Department of Probation and Child Care Services

3. Social Infrastructure

Provincial Department of Health, General Administration
Provincial Department of Health, Patient Care Services
Provincial Department of Health, Community Services
Provincial Department of Ayurvedic Medicine
Provincial Department of Education, General Administration
Provincial Department of Education and General Education

4. Community Services

Provincial Department of Local Government
Provincial Department of Co-operative Development
Provincial Department of Rural Development
Provincial Department of Cultural Affairs
Provincial Department of Sports

5. Agriculture

Provincial Department of Agriculture
Provincial Department of Animal Production and Health
Provincial Department of Land Administration

6. Industries

Textile and Handloom Industries

Contact Points and Follow Up

If users of the Citizens Budget are interested in learning more about the budget or wish to provide their feedback on the Citizen Budget, please contact the following information points:

Designation	Office	Contact details	Address
Hon. Governor	Administrative Office	Tel : 0212220660 E-Mail : npcgovernor@gmail.com	Old Park, Kandy Road, Chundukkuli, Jaffna
Chief Secretary	Administrative Office	Tel : 0212220840 E-Mail : chiefsecnpc@gmail.com	Provincial Council Complex, Kandy Road, Kaithady
Provincial Public Service Commission	Administrative Office	Tel : 0212219981 E-Mail : admppscnp@gmail.com	393/48, Temple Road, Nallur
Provincial Council Secretariat	Administrative Office	Tel : 0212057081 E-Mail : councilnpc@gmail.com	Provincial Council Complex, Kandy Road, Kaithady



வட மாகாண சபை
උතුරු පළාත් සභාව
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